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# Industrial Resources: Magoffin County - Salyersville

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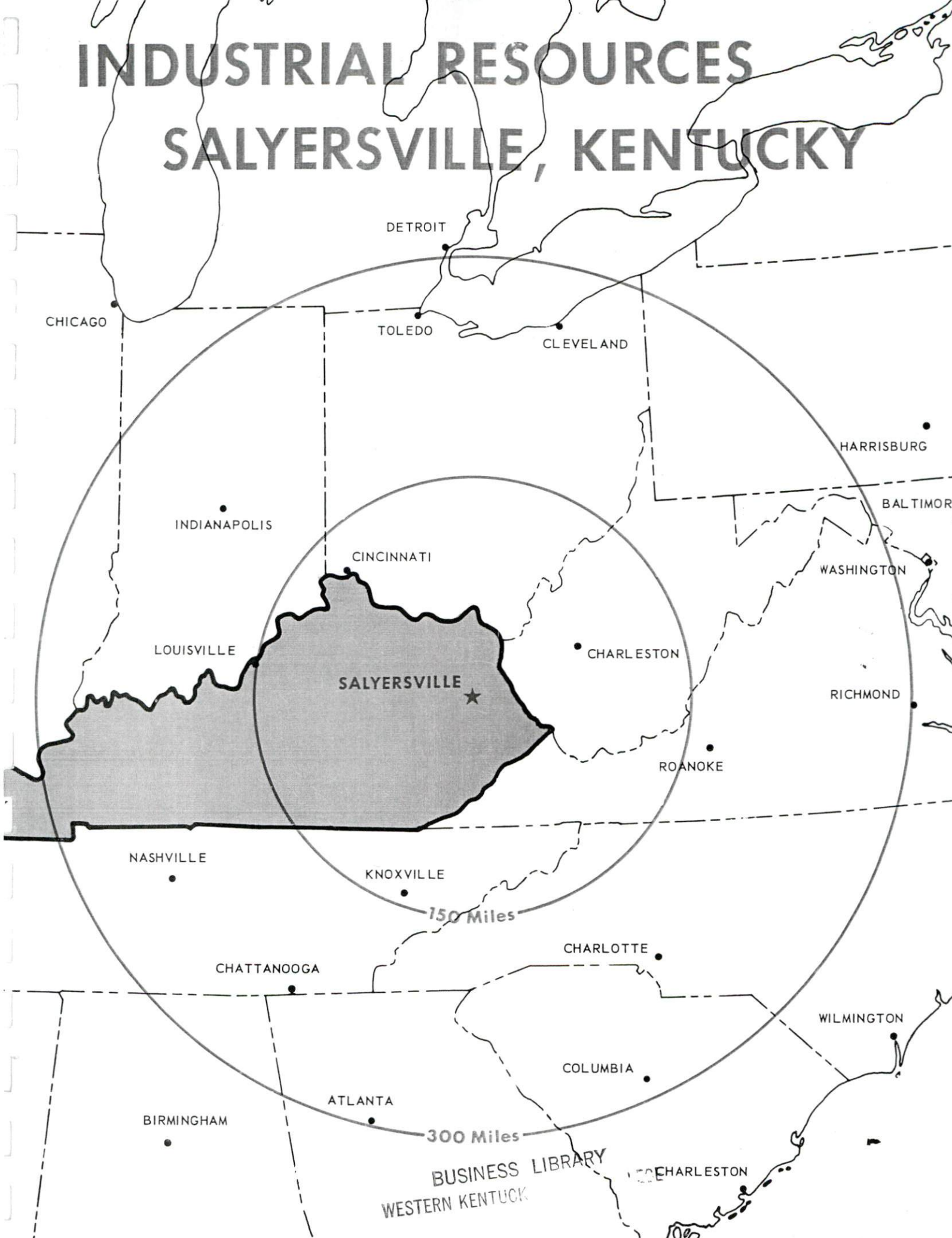
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# INDUSTRIAL RESOURCES SALYERSVILLE, KENTUCKY



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INDUSTRIAL RESOURCES  
SALYERSVILLE, KENTUCKY

Prepared by  
The Salyersville Kiwanis Club  
and  
The Kentucky Department of Commerce  
Frankfort, Kentucky  
December, 1963

INDUSTRIAL RESOURCES  
SALYERSVILLE, KENTUCKY  
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## SUMMARY DATA

### POPULATION:

1960: Salyersville - 1,173    Magoffin County - 11,156

### SALYERSVILLE LABOR SUPPLY AREA:

Includes Magoffin and all adjoining counties. Estimated number of workers available for industrial jobs in the labor supply area: 6,577 men and 7,328 women. Number of workers available from Magoffin County: 1,337 men and 793 women.

### TRANSPORTATION:

Railroads: The Chesapeake and Ohio Railway at Royalton, 7 miles distant, serves the city of Salyersville.

Air: The nearest commercial airport is Tri-State Airport, located between Ashland, Kentucky, and Huntington, West Virginia, a distance of 61 miles.

Trucks: Common carrier service is provided by two trucking firms.

Bus Lines: Salyersville is served by Southeastern Greyhound Bus Lines, operating between Lexington and Faintsville.

### HIGHWAY DISTANCES FROM SALYERSVILLE, KENTUCKY, TO:

<u>Town</u>	<u>Miles</u>	<u>Town</u>	<u>Miles</u>
Atlanta, Ga.	468	Louisville, Ky.	190
Chicago, Ill.	470	Nashville, Tenn.	312
Cincinnati, Ohio	174	New York, N. Y.	717
Detroit, Mich.	577	St. Louis, Mo.	413
Lexington, Ky.	116	Washington, D. C.	467

### Electricity

Electric power is supplied Salyersville by the Kentucky Power Company and the Licking Valley R. E. C. C.

### Natural Gas

Consolidated Utilities Company serves Salyersville with natural gas. The source of supply is local wells.

### Water

The Salyersville Municipal Water Works serves Salyersville. Its source of raw water is several drilled wells. The Salyersville Municipal Water Works is now planning to expand their services to all outlying districts around the city. Approximately \$150,000 will be spent on this new water system.

### Sewerage

There is no central sewerage system in Salyersville. A new central sewerage system for Salyersville is now in the making. A total of \$611,000 has been approved for the new central sewerage system and the water works combined.



## POPULATION AND LABOR MARKET

### Population

Salyersville has shown a net increase in population for the past six decades. However, there was a decrease in population during the 5th and 6th decades.

Magoffin County showed an increase for the first four decades of the century; during the 5th and 6th decades, it showed a decrease. The county and city have followed much the same pattern.

Table 1 shows the population data for Salyersville and Magoffin County.

TABLE 1

POPULATION DATA FOR SALYERSVILLE AND MAGOFFIN COUNTY WITH  
COMPARISONS TO THE KENTUCKY RATE OF CHANGE, 1900-60

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<u>Year</u>	<u>Salyersville</u>		<u>Magoffin County</u>		<u>Kentucky</u>
	<u>Population</u>	<u>% Change</u>	<u>Population</u>	<u>% Change</u>	<u>% Change</u>
1900	265		12,006		
1910	310	16.9	13,654	13.7	6.6
1920	412	32.9	13,859	1.5	5.5
1930	446	8.2	15,719	13.4	8.2
1940	1,254	81.1	17,490	11.2	8.8
1950	1,174	- 7.4	13,839	- 20.8	3.5
1960	1,173	- 0.1	11,156	- 19.4	3.2

Percent of nonwhite population in County: 0.1

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### Economic Characteristics

Magoffin County is economically agricultural with approximately 1,465 people employed in this industry.

In September 1962, there were 359 industrial jobs in Magoffin County, of which 179 were in mining and quarrying.

Wage rates are below the state average for manufacturing and all industries in Magoffin County. The average weekly earnings during 1961 were \$65.45 for all industries and \$26.40 for manufacturing. During the same period the state average was \$83.44 for all industries and \$96.07 for manufacturing.

In 1960 per capita personal income for Magoffin County was \$507; per capita income for Kentucky was \$1,573, far below the national average of \$2,223. It should be noted that Magoffin County ranked 118th among Kentucky's 120 counties, and Kentucky ranked 46th among the 50 states.\*

Retail sales in Magoffin County in 1962 were \$3,700,000.\*\*

### Labor Market

Supply Area: The Salyersville labor supply area is defined for the purpose of this statement to include Magoffin and the adjacent counties of Breathitt, Floyd, Johnson, Knott, Morgan and Wolfe.

Labor Potential Defined: The total estimated labor supply is composed of three major groups. The first two are currently available for industrial employment, the third group describes the potential for future years.

1. The current unemployed, measured here by unemployment insurance claimants.
2. Men who would shift from low paying jobs such as agriculture and women who would enter the labor force if jobs were available.
3. The future labor supply due to aging of the population and measured here by the number of boys and girls becoming 18 years of age during the 1960's.

Numbers Available: The total population of the Salyersville supply area was reported to be 122,988 by the 1960 U. S. Census of Population, which was a decrease of 29,720 persons since the 1950 census count of 152,708.

The total estimated to be currently available for industrial employment includes 6,577 males and 7,328 females. Their distribution is shown in Table 2.

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\*Personal Income in Kentucky Counties, 1958-1960

\*\*Sales Management, Survey of Buying Power, June 10, 1963



TABLE 2

DISTRIBUTION OF THE CURRENT ESTIMATED LABOR SUPPLY WITH  
COMPONENTS, SALYERSVILLE AREA, NOVEMBER, 1962\*

	<u>Total</u>		<u>Total</u>	<u>Labor Supply**</u>		<u>Unemployed</u>	
	<u>Male</u>	<u>Female</u>		<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
Area Total:	6,577	7,328	13,905	5,180	7,495	1,536	75
Magoffin	1,337	793	2,130	1,198	785	139	8
Breathitt	1,303	1,055	2,358	1,170	1,048	133	7
Floyd	1,969	2,925	4,894	1,026	2,893	943	32
Johnson	944	1,291	2,235	743	1,280	201	11
Knott	1,024	1,264	2,288	1,043	1,489	120	17
Morgan	1,224	769	1,993	1,030	748	194	21
Wolfe	631	506	1,137	618	504	13	2

Future Labor Supply: The future labor supply will include some proportion of the 15,766 boys and 15,435 girls who will become 18 years of age by 1970. To arrive at the exact number that would enter the area work force would be impossible. Probably the most influential internal factor would be the type of local employment available. The area distribution of these children is shown in Table 3.

\*Kentucky Department of Economic Security

\*\*Men who would shift from low paying jobs such as farming and women who would enter the labor force if jobs were available.

TABLE 3

DISTRIBUTION OF THE FUTURE LABOR SUPPLY, SALYERSVILLE  
AREA, BASED ON 1960 U. S. CENSUS OF POPULATION DATA

	<u>18 Years of Age by 1970</u>	
	<u>Male</u>	<u>Female</u>
Area Total:	15,766	15,435
Magoffin	1,434	1,375
Breathitt	2,037	1,966
Floyd	5,592	5,477
Johnson	2,079	2,256
Knott	2,480	2,343
Morgan	1,317	1,216
Wolfe	827	802

Area Employment Characteristics: The following three tables show the Salyersville area employment in agriculture and the covered employment of manufacturing and all industries, respectively.

TABLE 4

SALYERSVILLE AREA AGRICULTURAL EMPLOYMENT  
FALL, 1959\*

	<u>Family Workers</u>	<u>Hired Workers**</u>	<u>Total</u>
Area Total:	7,450	113	7,563
Magoffin	1,465	0	1,465
Breathitt	811	58	869
Floyd	941	5	946
Johnson	1,085	20	1,105
Knott	611	---	611
Morgan	1,726	10	1,736
Wolfe	811	20	831

\* U. S. Census of Agriculture

\*\* Regular Workers (Employed 150 days or more)

TABLE 5

SALYERSVILLE AREA MANUFACTURING EMPLOYMENT\*  
SEPTEMBER, 1962

	Area							
	Total	Magoffin	Breathitt	Floyd	Johnson	Knott	Morgan	Wolfe
Total manu- facturing	598	37	157	124	91	37	149	3
Food & kindred products	71	0	19	0	50	0	2	0
Tobacco	0	0	0	0	0	0	0	0
Clothing, tex- tile & leather	0	0	0	0	0	0	0	0
Lumber & furniture	386	37	131	34	20	28	133	3
Print., pub. & paper	28	0	7	6	6	0	9	0
Chemicals, petroleum & rubber	39	0	0	39	0	0	0	0
Stone, clay & glass	34	0	0	14	15	0	5	0
Primary metals	0	0	0	0	0	0	0	0
Machinery, metal products & equipment	40	0	0	31	0	9	0	0
Other	0	0	0	0	0	0	0	0

\* Includes only those workers covered by unemployment insurance

TABLE 6

SALYERSVILLE AREA COVERED EMPLOYMENT,  
ALL INDUSTRIES, SEPTEMBER, 1962\*

	Area							
	Total	Magoffin	Breathitt	Floyd	Johnson	Knott	Morgan	Wolfe
Mining & Quarrying	4,276	179	247	3,068	279	355	127	21
Contract Construction	738	16	67	369	92	8	130	56
Manufacturing	598	37	157	124	91	37	149	3
Transportation, Communication & Utilities	525	27	10	205	173	30	79	1
Wholesale & Retail Trade	1,526	85	130	493	577	19	187	35
Finance, Ins. & Real Estate	260	8	12	108	74	41	11	6
Services	638	7	8	290	256	0	53	24
Other	3	0	0	3	0	0	0	0
Total	8,564	359	631	4,660	1,542	490	736	146

LOCAL MANUFACTURING

The following list of manufacturing firms indicates something of the demand for labor and products available in the immediate area of Salyersville, Kentucky.

\*Includes only workers covered by unemployment insurance.

Source: Kentucky Department of Economic Security



TABLE 7

SALYERSVILLE MANUFACTURING FIRMS WITH PRODUCTS  
AND EMPLOYMENT, 1963

<u>Firm</u>	<u>Product</u>	<u>Employment</u>		
		<u>Male</u>	<u>Female</u>	<u>Total</u>
John G. Arnett & Co.	Lumber	9	0	9
Carpenter & Howard Lumber Company	Lumber, ties	17	1	18
G. V. Joseph Lumber Co.	Logging, rough lumber	13	0	13
Salyersville Independent	Newspaper publishing, job printing	3	0	3

Prevailing Wage Rates

Some examples of wage rates in the area are as follows:

<u>Classification</u>	<u>Wage Rates</u>
Clerical & secretarial	\$ 100 to \$250 per month
Laborer	.75 to 1.25 per hour
Semiskilled	1.25 to 1.75 per hour
Skilled	1.75 to 2.50 per hour

Unions

There are no unions represented in Salyersville.

TRANSPORTATION

Railroads

The nearest railroad is the Chesapeake and Ohio Railway Company at Royalton, 7 miles distant. Railway transit time from Royalton is listed in the following table.

TABLE 8

## RAILWAY TRANSIT TIME FROM ROYALTON, KENTUCKY, TO:\*

<u>Town</u>	<u>No. of Days</u>		<u>Town</u>	<u>No. of Days</u>	
	<u>CL</u>	<u>LCL</u>		<u>CL</u>	<u>LCL</u>
Atlanta, Ga.	3rd AM	9th	Louisville, Ky.	1st PM	6th
Birmingham, Ala.	3rd AM	8th	Los Angeles, Calif.	5th PM	13th
Chicago, Ill.	1st PM	6th	Nashville, Tenn.	3rd AM	7th
Cincinnati, Ohio	1st AM	6th	New Orleans, La.	3rd AM	9th
Cleveland, Ohio	2nd AM	7th	New York, N. Y.	3rd AM	10th
Detroit, Mich.	2nd AM	7th	Pittsburgh, Pa.	3rd AM	8th
Knoxville, Tenn.	2nd PM	9th	St. Louis, Mo.	2nd PM	7th

Highways

Highways serving Salyersville are U. S. Route 460 and State Routes 7 and 114.

As can be seen on the highway map, a branch of the Mountain Parkway will pass approximately two miles south of Salyersville. This will give good highway access to the area.

The highway miles from Salyersville to selected market centers are shown in Table 9.

TABLE 9

## HIGHWAY DISTANCES FROM SALYERSVILLE, KENTUCKY, TO:

<u>Town</u>	<u>Miles</u>	<u>Town</u>	<u>Miles</u>
Atlanta, Ga.	468	Lexington, Ky.	116
Birmingham, Ala.	533	Louisville, Ky.	190
Chicago, Ill.	470	Nashville, Tenn.	312
Cincinnati, Ohio	174	New York, N. Y.	717
Detroit, Mich.	577	Pittsburgh, Pa.	277
Knoxville, Tenn.	264	St. Louis, Mo.	413

\*The Chesapeake and Ohio Railway Company, Cincinnati, Ohio



Truck Service: Salyersville is served by two common carrier truck lines, Point Express, Inc., and Bell Lines, Inc., Charleston, West Virginia.

TABLE 10

TRUCK TRANSIT TIME FROM SALYERSVILLE, KENTUCKY, TO SELECTED MARKET CENTERS\*

<u>Town</u>	<u>Delivery Time (Days)</u>		<u>Town</u>	<u>Delivery Time ( Days )</u>	
	<u>LTL</u>	<u>TL</u>		<u>LTL</u>	<u>TL</u>
Atlanta, Ga.	3rd	2nd	Louisville, Ky.	3rd	2nd
Birmingham, Ala.	3rd	2nd	Los Angeles, Calif.	6th	5th
Chicago, Ill.	3rd	2nd	Nashville, Tenn.	3rd	2nd
Cincinnati, Ohio	ON**	ON**	New Orleans, La.	4th	3rd
Cleveland, Ohio	3rd	2nd	New York, N. Y.	3rd	2nd
Detroit, Mich.	3rd	2nd	Pittsburgh, Pa.	3rd	2nd
Knoxville, Tenn.	3rd	2nd	St. Louis, Mo.	3rd	2nd

Bus Lines: Salyersville is served by Southeastern Greyhound Bus Lines, operating between Lexington and Paintsville. There are two eastbound and two westbound buses daily.

Air

The nearest commercial airport is Tri-State Airport, located between Ashland, Kentucky, and Huntington, West Virginia, a distance of 61 miles. Over 30 flights daily are provided by Eastern, Piedmont, and Allegheny Airlines.

UTILITIES AND FUEL

Electricity

Salyersville is served by the Kentucky Power Company, Ashland, Kentucky, which has recently completed a new generating plant near Louisa, Kentucky. This plant, known as the Big Sandy Plant, has a generating capacity of 265,000 KW.

\*Point Express, Inc., Charleston, West Virginia

\*\*Overnight

The area served by Kentucky Power Company is substantially covered with distribution and transmission lines. Large users of electric power will find ample capacity available at many points in the area. Current prices for electricity will be supplied by the Kentucky Department of Commerce or Kentucky Power Company, Ashland, Kentucky. Industrial rates are available.

#### Natural Gas

Natural gas is supplied Salyersville by the Consolidated Utilities Company, whose source of supply is Ivyton Fields in Magoffin County.

Average Btu content is 1,100 per cu. foot and specific gravity is .50. The transmission lines are 2 and 4 inches.

Current rates are as follows:

First	2,000 Cu. Ft.	\$ 2.00
First	3,000 Cu. Ft.	2.75
Next	5,000 Cu. Ft.	.75 per MCF
Next	10,000 Cu. Ft.	.75 per MCF
Next	15,000 Cu. Ft.	.75 per MCF
All over	33,000 Cu. Ft.	.60 per MCF

#### Coal and Coke

The Eastern Kentucky Coal Field consists of 2,037 mines located in 31 counties. The 1960 average production was 17,800 tons per mine, and a combined total of 36,260,000 tons, a 6 percent increase over 1959. Underground mines produced 88 percent, auger mines 7 percent, and strip mines 5 percent of the total output. The average value per ton was \$4.84 in 1960, f.o.b. mine. Shipments were 82 percent by rail and water and 18 percent by truck. Captive tonnage was 20 percent of the total.\*

Kentucky has three coke plants located in Ashland, Calvert City and Dawson Springs. The supply is supplemented by border state operations.

#### Fuel Oil

Kentucky has three fuel oil refineries located in Catlettsburg, Louisville, and Somerset. Kentucky's fuel supply is supplemented by border state operations.

Delivered prices of the various grades may be obtained from the Kentucky Department of Commerce.

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\*The Mineral Industry of Kentucky, University of Kentucky, Series X, 1962

## WATER AND SEWERAGE

### Public Water Supply

Salyersville is provided treated water by the Salyersville Municipal Water Works. Its source of supply is two deep wells. The capacity of the treatment plant is 250,000 gallons per day and the type treatment is chlorine and filter beds. Peak daily use has been 150,000 gallons and the average daily use is 85,000 gallons. Storage capacity is by means of a 100,000-gallon elevated tank. The average pumping time to meet requirements is 8 hours and pumping capacity is 250 gpm. Distribution is through 4-, 6-, and 8-inch lines.

Current rates are as follows:

First	1,000 gallons	\$ 3.00 per M gallons
Next	2,000 gallons	.90 per M gallons
Next	5,000 gallons	.60 per M gallons
All over	8,000 gallons	.45 per M gallons

### Water Resources

Surface Water: The Licking River affords the best source for surface water supplies. Other sources may be obtained from local impoundments of small streams. The average discharge of the Licking River near Salyersville is 166 cfs (U.S. Geological Survey - 24 year record).

Ground Water: The occurrence of ground water is from the alluvium along the Licking River and from rocks of the Breathitt formation. A partial summary of these occurrences, as found in Hydrologic Investigations Atlas (HA-36) by the U. S. Geological Survey, is as follows:

#### Alluvium

Most wells in the alluvium are dug, and most are adequate to supply more than 100 gpd. Screened drilled wells probably can be developed where sandy material is present and saturated thickness is at least several feet. Such wells would probably be adequate for supplying more than 100 gpd. Water from most dug wells is moderately hard and contains noticeable amounts of iron.



### Breathitt Formation

Most wells drilled in the valley bottoms are adequate to supply more than 500 gpd, whereas most dug wells are only adequate for a minimum domestic supply of more than 100 gpd. In the extreme southeast portion of the County the ground water is moderately hard and contains noticeable amounts of iron. In the remainder of the County, ground water is extremely hard and also contains noticeable amounts of iron. Salty water may be encountered from 50 to several hundred feet below the level of the principal valley bottoms.

Due to local variations, the above conditions may not apply to any given locality, but should serve as a guide to the general ground water conditions in the County.

### Sewerage System

There is no central sewerage system in Salyersville. There are some private sewer lines, with raw sewage emptying into the Licking River.

In the planning stage is a disposal plant to serve Salyersville. When the project is completed, the entire city will be on sewer lines.

## INDUSTRIAL SITES

Salyersville has several tracts of land which would be available to industry. Information concerning these sites may be obtained from the Area Development Association of Salyersville.

## LOCAL GOVERNMENT AND SERVICES

### Type Government

City: Salyersville is governed by a mayor who is elected for a four-year term, and six councilmen elected for two-year terms.

County: Magoffin County is governed by a fiscal court, composed of a county judge elected for a four-year term, and three magistrates elected for four-year terms.

### Laws Affecting Industry

Property Tax Exemption: As provided by state law, Salyersville may allow a five-year property tax exemption to new industry. This exemption cannot be extended beyond five years.

Business Licenses: Business and occupational licenses are required. The cost ranges from \$5 to \$20.

### Fire Protection

The Salyersville Fire Department is staffed with a chief and 13 volunteer firemen. Equipment consists of a completely equipped 1947 Chevrolet, 500-gpm pumper truck. In all there is approximately 1,500 feet of hose on the truck.

Salyersville and Magoffin County have a class-7 fire insurance rating.

### Police Protection

Police protection is provided by a chief and one patrolman. Motorized equipment consists of one patrol car.

Magoffin County has a county sheriff, five deputies, and one clerk. Motorized equipment consists of two privately owned cars.

### Garbage and Sanitation

Private garbage collection is daily in the business districts and twice weekly in the residential districts. Monthly rates are \$2 for residences and \$5 for businesses. Disposal is by means of a sanitary land-fill.

### Financial Information

The following statements summarize the financial position of Salyersville and Magoffin County.

#### City Income, Expenditures and Bonded Indebtedness, 1962:

Income	\$14,806
Expenditures	\$14,160
Bonded Indebtedness	\$ 8,000 (Water works)

#### County Budget and Bonded Indebtedness, as of June 30, 1962:

Estimated Budget (1963-1964)	\$146,426
Bonded Indebtedness	\$285,000 (Courthouse)
	\$ 12,000 (Nonvoted bond)
	\$ 32,000 (Road & bridge)

## TAXES

### Property Taxes

The following table shows the property tax rates applying to Salyersville and Magoffin County for 1962. A more detailed explanation of taxes is shown in Appendix D.

TABLE 11

PROPERTY TAX RATES PER \$100 OF ASSESSED VALUE FOR SALYERSVILLE  
AND MAGOFFIN COUNTY, 1962

<u>Taxing Unit</u>	<u>Salyersville</u>	<u>Magoffin County</u>
City	\$ .75	\$
County	1.00	1.00
School	1.50	1.50
State	.05	.05
Health	<u>        </u>	<u>.07</u>
TOTAL	\$ 3.30	\$ 2.62

#### Real Estate Assessment Ratios

Salyersville	33 1/3%
Magoffin County	33 1/3%

#### Net Assessed Value of Property

Salyersville	\$1,018,190
Magoffin County	\$7,682,570



## OTHER LOCAL CONSIDERATIONS

### Educational Facilities

Graded Schools: Salyersville is included in the Magoffin County School System. There are 26 elementary schools with a total enrollment of 2,658 students, and one high school with an enrollment of 604. The Magoffin County School System provides one superintendent, 5 principals, 2 industrial art teachers, 1 music teacher, 1 home economics teacher, 1 vocational agriculture teacher and 1 guidance counselor.

The estimated 1963-64 budget is \$868,560.

TABLE 12

SCHOOLS, ENROLLMENT, NUMBER OF TEACHERS, STUDENT-TEACHER RATIO IN MAGOFFIN COUNTY

<u>School</u>	<u>Enrollment</u>	<u>No. of Teachers</u>	<u>Student-Teacher Ratio</u>
Magoffin County Elementary (total)	2,658	89	30 - 1
Magoffin County High School (total)	604	28	22 - 1

Vocational Schools: Kentucky's vocational education program utilizes fourteen highly specialized schools, partly integrated with regular secondary education. These special area trade schools prepare Kentuckians for work in a variety of trade and industrial occupations.

Salyersville is served by Mayo State Vocational School, located in Paintsville, 19 miles distant. This school offers day trade and technical training to boys and girls 16 years of age and adults. The period of training ranges from one to two years, depending upon the trade pursued.

In addition to the day trade and technical program, the school offers a program of evening instructions so the people now working can be upgraded by improving the skills and knowledge of their trade.

The trades taught at Mayo are as follows: auto mechanics, diesel mechanics, auto body mechanics, cosmetology, drafting, electricity, machine shop, mining mechanics, office practice, practical nursing, printing, radio and television, welding and woodworking. Technical courses taught are industrial electronics, technical communications, and tool and die.

The trade preparatory courses listed are normally two years in length. In addition, short unit courses are offered on a continuous basis for the upgrading of employed workers. Other short unit courses are provided in all occupations of an industrial nature as needs arise or upon request, when facilities permit.

Colleges: Institutions of higher learning in the area include:

Pikeville College, Pikeville, Kentucky, 43 miles  
Morehead College, Morehead, Kentucky, 74 miles  
Ashland Center of U. of K., Ashland, Kentucky, 68 miles  
University of Kentucky, Lexington, Kentucky, 116 miles  
Transylvania College, Lexington, Kentucky, 116 miles  
Eastern Kentucky State College, Richmond, Kentucky, 105 miles  
Georgetown College, Georgetown, Kentucky, 126 miles

### Health

Hospitals: The nearest hospital is the West Liberty Hospital located in West Liberty, 22 miles distant. The hospital has 38 beds, 8 bassinets, and all modern facilities.

There is one doctor, one dentist, and two registered nurses in Salyersville.

Public Health: The Magoffin County Health Department, located in Salyersville, is staffed with a part-time medical consultant, one part-time nurse, one clerk and one full-time worker who serves as the administrator and sanitarian. The health program comprises: communicable disease program, immunization and tests, venereal disease control program, field and office visits, tuberculosis control program, X-ray, clinic service, school health program, vital statistics, adult health program and dental health program.

The estimated 1963-64 budget for the Magoffin County Health Department is \$27,944.28.

### Housing

There are few housing units for rent or sale in Salyersville. Rental range for two- and three-bedroom houses is \$40 to \$60 per month. Construction cost for two- and three-bedroom houses is \$9,000 to \$15,000, depending on location and materials used.

## Communication

Telephone and Telegraph: Salyersville is provided telephone service by the Foothills Telephone Cooperative Corporation. There are 882 subscribers in the Salyersville area.

Postal Facilities: Salyersville has a second-class post office with four employees. Mail is received and dispatched eight times daily. There is no local delivery; box facilities are maintained at the post office.

Newspapers: The Salyersville Independent, a weekly newspaper, has a circulation of 1,600. Papers are received daily from Lexington, Louisville, and Ashland, Kentucky; Huntington, West Virginia; and Cincinnati, Ohio.

Radio: There is no radio station in Salyersville. Radio reception is from Paintsville, Prestonsburg, Lexington, and Louisville, Kentucky.

Television: Television reception is from Huntington and Charleston, West Virginia.

## Libraries

The Magoffin County Library, located in the Magoffin County Courthouse, has 6,000 volumes and an annual circulation of 168,000 volumes. A bookmobile serves the county.

## Churches

The following denominations are represented in Salyersville: Baptist, Free Will Baptist, United Baptist, Christian, and Methodist.

## Financial Institutions

### Statement as of June 30, 1963

	<u>Assets</u>	<u>Deposits</u>
The Salyersville National Bank	\$4,144,564.92	\$3,858,895.04

## Hotels and Motels

Carpenter Hotel	26 rooms
Ivy Point Motel	10 units



## Clubs and Organizations

American Legion, DAR, Eastern Star, FHA, FFA, Kiwanis, Little League, Masonic, PTA, Rural Development Corporation, Sportsmen's Club, Woman's Club, WOW, 4-H

## Recreation

Local: Local recreation includes Connelley Park which provides picnic areas, concession building, baseball park, track for horse shows, and a lake which provides facilities for boating, fishing, swimming and water skiing.

An indoor theater and a swimming pool are available to the city.

Area: Salyersville is located 22 miles from Jenny Wiley State Park, Prestonsburg, Kentucky. This park has facilities for swimming, fishing, horse-back riding, and golfing. There are excellent lodge and dining facilities, and camp sites.

Natural Bridge State Park is located 62 miles from Salyersville. This park has facilities for hiking, swimming, and picnicking.

## Community Improvements

### Recent:

1. A new courthouse was recently constructed at the cost of \$400,000.
2. A County Health Building was constructed at the cost of \$50,000.
3. The widening of all the main streets cost \$75,000.
4. An office building was constructed at the cost of \$60,000.
5. The water company recently cleaned and painted its water tank.
6. The County School System recently constructed three new schools.
7. A garage for the maintenance of school vehicles was recently constructed.
8. The fire department recently purchased 1,500 feet of new hose.

### Planned:

1. Plans are being made to extend the water system and to construct a 150,000-gallon storage tank.
2. A disposal plant and sewer lines are to be installed in Salyersville.
3. A new school is in the planning stage.

## NATURAL RESOURCES

### Agriculture

In 1959 there were 1,305 farms covering 119,476 acres, an average of 91.6 acres per farm. The following table shows some agricultural statistics for Magoffin County and Kentucky.

TABLE 13

#### AGRICULTURAL STATISTICS FOR MAGOFFIN COUNTY AND KENTUCKY, 1959\*

<u>Crops</u>		<u>Acres Harvested</u>	<u>Yield Per Acre</u>	<u>Total Production</u>
<u>Corn:</u>				
Magoffin County	(bu)	4,669	39.7	185,680
Kentucky	(bu)	1,649,000	42.5	70,184,000
<u>Soybeans:</u>				
Magoffin County	(bu)	530	1.4	759
Kentucky	(bu)	181,000	22.1	4,012,000
<u>Burley Tobacco:</u>				
Magoffin County	(lbs)	841	1,539.1	1,294,450
Kentucky	(lbs)	189,000	1,604.5	303,261,000
<u>Alfalfa Hay:</u>				
Magoffin County	(tons)	71	2.2	163
Kentucky	(tons)	289,000	2.1	620,000
<u>Clo-Tim Hay:</u>				
Magoffin County	(tons)	1,475	1.1	1,708
Kentucky	(tons)	427,000	1.3	582,000
<u>Lespedeza Hay:</u>				
Magoffin County	(tons)	133	.6	84
Kentucky	(tons)	549,000	1.2	703,000

\*Kentucky Agricultural Statistics, Kentucky Crop and Livestock Reporting Service, 1960.

TABLE 14

## LIVESTOCK STATISTICS FOR MAGOFFIN COUNTY AND KENTUCKY, 1959\*

<u>Livestock</u>	<u>Number on Farms as of January 1, 1960</u>
<u>All Cattle and Calves:</u>	
Magoffin County	3,565
Kentucky	1,947,000
<u>Milk Cows:</u>	
Magoffin County	1,749
Kentucky	466,000
<u>Sheep:</u>	
Magoffin County	236
Kentucky	546,000

Minerals

The principal mineral resources of Magoffin County include bituminous and cannel coal, petroleum and natural gas, clay and sand and gravel. Total value of mineral production, excluding natural gas, during 1961 amounted to \$3,533,967 from petroleum and bituminous coal.

Coal: Magoffin County is centrally located in the Eastern Kentucky Coal Field. The first recorded coal production was in 1923. Through 1962, a total of 3,925,015 tons have been secured. Production in 1962 amounted to 46,078 tons from nine mines.

The various beds recognized in the County include the Hazard, Hindman, Haddix, Fire Clay, Whitesburg, Upper Elkhorn # 3 and Upper Elkhorn # 1.

A partial analysis of coal from a bed designated as the Hindman seam is as follows:

% Moisture	5.0
% Volatile Matter	35.5
% Ash	7.4
% Sulphur	0.8
Ash Softening Temp. °F	12,850

Source: U. S. Bureau of Mines, Technical Paper 652, "Analyses of Kentucky Coals," 1944.



In a recent publication entitled, "Coal Reserves of Eastern Kentucky" by the U. S. Geological Survey, the total original reserves of Magoffin County have been estimated at 1,135.43 million short tons. This total includes measured, indicated and inferred resources in beds greater than 14 inches in thickness.

Petroleum and Natural Gas: Petroleum has been produced from the Maxon, Weir and Berea formations. Recent success in water flood developments has resulted in significant production. For the period 1920 through 1962, a total of 26,815,612 barrels were secured with more than one million barrels produced annually since 1955. Production for 1962 amounted to 1,021,787 barrels.

Gas production in the County has come mainly from the Maxon and Weir sands.

Clay: Alluvial clays along the Licking River flood plain as well as some residual clay shales might be used for the manufacture of common brick. An analysis of a shale exposed about one and one-half miles west of Ivyton indicated it is suitable for the manufacture of vitrified sewer pipe, acid-resistant brick and paving blocks for factory floors.

Sand and Gravel: Deposits of sand and gravel occur along the Licking River Valley and have been used locally for general building construction purposes.

In 1960, Kentucky ranked fifteenth in the nation in value of mineral production including natural gas liquids with a total of \$413,517,000. In order of value, the minerals produced were coal, petroleum, stone, natural gas, natural gas liquids, sand and gravel, clays and fluorspar. Kentucky ranked second among the states in the production of bituminous coal and ball clay, and third in the production of fluorspar. Fuels constituted 88 percent of the total value, with coal accounting for 68 percent, petroleum - 15 percent, and natural gas - 5 percent. Stone represented 5 percent, sand and gravel - 1 percent, and clay - 1 percent. All other minerals, which include natural gas liquids, fluorspar, barite, lead, silver, zinc, cement, crushed sandstone and gem stone, accounted for 5 percent.

TABLE 15

KENTUCKY MINERAL PRODUCTION 1960 (1)  
(Units in short tons unless specified)

<u>Mineral</u>	<u>Quantity</u>		<u>Value</u>	
Barite		(2)	\$	(2)
Clays	951, 000	(3)	2, 646, 000	(3)
Coal	66, 846, 000		282, 395, 000	
Fluorspar	25, 855		1, 173, 000	
Gem Stones		(4)		(5)
Lead (recoverable content of ores, etc.)	558		131, 000	
Natural Gas (cubic feet)	75, 329, 000, 000		18, 389, 000	
Natural Gas Liquids:				
Natural Gasoline (gallons)		(2)		(2)
LP Gases (gallons)		(2)		(2)
Petroleum (crude-barrels)	21, 144, 000	(6)	60, 260, 000	(6)
Sand and Gravel	5, 113, 000		5, 763, 000	
Silver (recoverable content of ores, etc.--troy ounces)	-----		-----	
Stone (7)	15, 810, 000		21, 493, 000	
Zinc (recoverable content of ores, etc.)	869		224, 000	
Value of items that cannot be disclosed: Cement, ball clay (1960), crushed sandstone, and values indicated by footnote 2.	-----		22, 080, 000	

- (1) Mineral Industry of Kentucky, Minerals Yearbook, 1960. Production as measured by mine shipments, sales, or marketable production (including consumption by producers).
- (2) Figure withheld to avoid disclosing individual company confidential data.
- (3) Excludes ball clay; included with "Value of items that cannot be disclosed."
- (4) Weight not recorded.
- (5) Less than \$1, 000.
- (6) Preliminary figure.
- (7) Excludes crushed sandstone; included with "Value of items that cannot be disclosed."

## Forests

There are approximately 139,000 acres of forested land in Magoffin County, which cover 72 percent of the total land area. The predominant trees are oak, hickory, beech, yellow poplar and pine.

Kentucky's forests are one of its largest resources. Both the amount of timber cut and the proportion used in manufacturing within the state could well be increased. The total annual net growth of Kentucky forests is substantially greater than the amount of drain. Less than one-quarter of the lumber, veneer and bolts produced (500 to 600 million board feet per year) is used in manufacturing in the state.

Kentucky's forests are protected from fire by a radio-interconnected network of 144 fire towers.

## MARKETS

Kentucky's economic growth is credited in part to its location at the center of the Eastern Market Area. A line drawn along the borders of Minnesota, Iowa, Missouri, Arkansas, and Louisiana divides the country into two parts designated the Eastern and Western Market Areas. The Eastern Market Area is smaller in land area, but contains almost 75 percent of the national population.

Kentucky is also at the center of a seventeen-state area containing over 2/5 of the nation's population, personal income, and retail sales. This area is composed of those states within an approximate 400-mile radius of the Kentucky border. This is shown in greater detail in the following table.



TABLE 16  
CONSUMER MARKET POTENTIAL

	Population (1) Percent of U. S.	Personal Income (2) Percent of U. S.	Retail Sales (3) Percent of U. S.
Alabama	1.8	1.2	1.2
Arkansas	.9	.6	.7
Delaware	.3	.3	.2
Georgia	2.1	1.6	1.7
Illinois	5.6	6.6	6.4
Indiana	2.7	2.5	2.5
KENTUCKY	1.6	1.2	1.2
Maryland	1.8	1.9	1.6
Michigan	4.3	4.6	4.4
Missouri	2.4	2.4	2.5
North Carolina	2.6	1.8	1.9
Ohio	5.4	5.7	5.5
Pennsylvania	6.3	6.4	6.1
South Carolina	1.3	.8	.8
Tennessee	1.9	1.4	1.6
Virginia	2.1	1.8	1.8
West Virginia	1.1	.8	.9
REGIONAL TOTAL	44.2	41.6	41.0

(1) U. S. Census of Population, 1960

(2) Survey of Current Business, U. S. Department of Commerce

(3) Census of Business, 1958, Retail Trade

In 1960 per capita personal income for Magoffin County was \$507.\*

Retail sales in Magoffin County in 1962 were \$3,700,000.\*\*

\* Personal Income in Kentucky Counties, 1958-1960

\*\* Sales Management, Survey of Buying Power, June 10, 1963



## C L I M A T E

The average annual precipitation in Kentucky ranges from 38 to 40 inches in the northern part of the state to 50 inches or more in the south-central part. Late summer is normally the driest part of the year.

Winter is relatively open, with midwinter days averaging 32 degrees in the northern parts to 40 degrees in the southern, for about six weeks' duration.

Midsummer days average 74 degrees in the cooler uplands to 79 degrees in the lowland and southern areas.

The growing season varies from 180 days in the north to 210 in the south. Seasonal heating-degree days average about 4,500 for the state. Sunshine prevails for an average of at least 52 percent of the year and increases to 60 percent or more to the southwest.

Kentucky's climate is temperate. The climatic elements of sunlight, heat, moisture, and winds are all in moderation without prolonged extremes. Rainfall is abundant and fairly regular throughout the year. Warm-to-cool weather prevails, with only short periods of extreme heat and cold.

TABLE 17

## CLIMATIC DATA FOR SALYERSVILLE, MAGOFFIN COUNTY, KENTUCKY

Month	Temp. Norm.*	Total	Av. Relative	
	Deg. Fahrenheit	Prec. Norm.*	Humidity Readings**	
		Inches	7:00 A.M.	7:00 P.M. (EST)
January	27.8	3.51	79	69
February	39.7	3.48	79	62
March	46.8	4.70	76	68
April	47.6	4.71	80	49
May	58.2	4.87	90	55
June	68.3	6.27	89	61
July	72.7	9.44	91	61
August	74.1	3.98	88	59
September	68.0	1.98	88	64
October	55.0	2.44	88	67
November	45.5	2.04	85	68
December	35.6	4.92	80	65
Annual Norm	53.27	52.34		

\*Station Location: West Liberty, Kentucky

\*\*Station Location: Bristol, Tennessee

Length of Record: 7:00 A.M. readings 29 years;  
7:00 P.M. readings 29 years.

Days cloudy or clear: (29 yrs. of record) - 89 clear, 171 cloudy, 105 partly cloudy

Percent of possible sunshine: Not available

Days with precipitation of 0.01 inch or over: (29 yrs. of record) - 140 days

Days with 1.0 inch or more snow, sleet, hail: (29 yrs. of record) - 11 days

Days with thunderstorms: (29 yrs. of record) - 45 days

Days with heavy fog: (29 yrs. of record) - 38 days

Prevailing wind: (29 yrs. of record) - NNW

Seasonal heating-degree days: (29 yrs. of record) - Approximate long-term means 4,386 degree days.

## A P P E N D I X

History	Appendix A
Employment by Industry Division	Appendix B
Economic Characteristics of the Population	Appendix C
Kentucky Corporation Taxes	Appendix D
Taxes Applicable to a Manufacturing Concern	Appendix D-1
City Bond Issues for Industrial Buildings	Appendix E
Instructions for Filing Articles of Incorporation	Appendix F
Cooperating State Agencies	Appendix G

## HISTORY

Magoffin County, established in 1860, was taken from parts of Morgan, Johnson, and Floyd Counties, and named in honor of Beriah Magoffin, who was serving as Governor at that time (1859-1862). The 108th county formed in the state, it is situated on the head waters of the Licking River, which for 60 miles divides it nearly centrally from southeast to northwest. The valleys or bottomlands are rich and quite productive; the face of the country is generally broken and hilly.

Salyersville, the county seat, was at first called Adamsville for "Uncle Billy" Adams, a pioneer noted for his shrewdness, and who operated a grist mill, a flour mill, a carding factory, a tannery, and a blacksmith shop. When Magoffin County was formed in 1860, the town's name was changed to honor Samuel Salyers, the district's legislative representative.

Magoffin County was first settled about 1800, by emigrants originally from South Carolina. Some of the early settlers had attempted previously a settlement in 1794, but were driven back by Indians.

The first permanent settlement was made one mile below Salyersville, at Licking Station--so called from the Indians having once temporarily occupied it. It was in a bend of the Licking River, the land nearly in the shape of a horse-shoe, and was well suited for an Indian fort.

A burning spring, 4 miles from Salyersville, was located on the Burning Spring Fork, and was for many years an object of curious interest. In 1865, during a great oil fever, some parties bored for oil near the spring, and its burning ceased permanently.

During the Civil War, on the morning of November 30, 1863, Captain Peter Everett, with about 200 Confederates, surprised a company of Federal troops stationed at Salyersville and on the Licking Station hill--killed one lieutenant, wounding four or five privates, and capturing twenty-five prisoners and forty horses.

The historian Collins described the town in 1873 thusly:

". . . has a brick court house, wooden jail, 4 dry goods stores, 2 blacksmiths' shops, a steam saw, grist, and flouring mill, with carding machine attached, 2 lawyers, 1 physician, and three churches (Methodist, Baptist, and Reformed or Christian); population in 1870, 106."

At the turn of the twentieth century, gas, oil and coal were found in considerable quantities in the county and were sought after on a commercial basis. In 1918 the first gas wells were completed in Magoffin County. On



## Appendix A

September 4, 1919, the first real oil well was completed in Magoffin County one-half mile south of Wheelersburg. This initial well flowed 60 to 75 barrels daily. This well began the oil speculation boom that was to follow in this and the surrounding counties.

An open field behind the courthouse was for years the scene of old-time horse trading each Jockey Day, which is the first day of the circuit court term in January, April, and September. Guns, watches, knives, harness, wagons, horses, mules, dogs--anything and everything that could be "swapped" or sold was "fetched in." One could trade extensively on court day without a cent of money.

Near the head waters of the State Road Fork of Paint Creek is a grove that was long used as a Camp Meeting Ground. Camp meetings were once very popular in rural Kentucky, but gradually changed since the first one held in 1800. Until the automobile brought a demand for the improvement of roads, the social life of people in remote nooks was very limited; thus the camp meeting offered the chief opportunity for spiritual comfort, excitement, gossip, trading, courting, and even electioneering.

COVERED EMPLOYMENT BY MAJOR INDUSTRY DIVISION  
MAGOFFIN COUNTY AND KENTUCKY

<u>Industry, September, 1962</u>	<u>Magoffin County</u>		<u>Kentucky</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
All Industries	359	100.0	470,152	100.0
Mining & Quarrying	179	49.8	30,014	6.4
Contract Construction	16	4.5	43,446	9.2
Manufacturing	37	10.3	176,870	37.6
Food & kindred products	0	0	24,977	5.3
Tobacco	0	0	15,773	2.3
Clothing, tex. and leather	0	0	27,364	5.8
Lumber and furniture	37	10.3	14,635	3.1
Printing, pub. and paper	0	0	11,072	2.4
Chemicals, petroleum, coal and rubber	0	0	15,366	3.3
Stone, clay and glass	0	0	5,761	1.2
Primary metals	0	0	8,527	1.8
Machinery, metals and equip.	0	0	55,413	11.8
Other	0	0	2,982	.6
Transportation, Communication and Utilities	27	7.5	34,127	7.3
Wholesale and Retail Trade	85	23.7	121,844	25.9
Finance, Ins. and Real Estate	8	2.2	21,708	4.6
Services	7	1.9	40,010	8.5
Other	0	0	2,133	.5

ECONOMIC CHARACTERISTICS OF THE POPULATION FOR  
MAGOFFIN COUNTY AND KENTUCKY, 1960

<u>Subject</u>	<u>Magoffin County</u>		<u>Kentucky</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
Total Population	5,666	5,490	1,508,536	1,529,620
<b>EMPLOYMENT STATUS</b>				
Persons 14 years old & over	3,586	3,485	1,036,440	1,074,244
Labor force	1,719	393	743,255	219,234
Civilian labor force	1,719	393	705,411	290,783
Employed	1,300	362	660,728	275,216
Private wage & salary	649	168	440,020	208,384
Government workers	160	145	58,275	44,462
Self-employed	473	45	156,582	16,109
Unpaid family workers	18	4	5,851	6,261
Unemployed	419	31	44,683	15,567
Not in labor force	1,867	3,092	293,185	783,010
Inmates of institutions	0	0	15,336	8,791
Enrolled in school	440	351	94,734	97,825
Other & not reported	1,427	2,741	183,115	676,394
Under 65 years old	969	2,368	91,626	539,838
65 and over	458	373	91,489	136,556
<b>MAJOR OCCUPATION GROUP OF EMPLOYED PERSONS</b>				
All employed	1,300	362	660,728	275,216
Professional & technical	98	84	46,440	36,879
Farmers & farm mgrs.	291	0	91,669	2,339
Mgrs., officials, & props.	106	44	58,533	10,215
Clerical & kindred workers	419	63	35,711	66,343
Sales workers	53	57	39,837	25,265
Craftsmen & foremen	167	0	114,003	2,836
Operatives & kindred workers	304	4	140,192	45,305
Private household workers	0	24	1,123	25,183
Service workers	32	58	29,844	40,156
Farm laborers & farm foremen	82	4	33,143	2,046
Laborers, ex. farm & mine	84	8	44,227	1,671
Occupation not reported	35	16	26,006	16,978

Source: Bureau of the Census, 1960 Census of Population (Washington, 1962) General Social and Economic Characteristics of Kentucky, Tables 52, 56, 57, 83, and 84.



## KENTUCKY CORPORATION TAXES

Corporation Organization Tax

Domestic corporations having capital stock divided into shares are required to pay an organization tax to the Secretary of State at the time of corporation. The tax is based upon the number of shares authorized:

	<u>Rate Per Share (Par Value)</u>	<u>Rate Per Share (No Par Value)</u>
First 20,000 shares	1¢	1/2¢
20,001 through 200,000 shares	1/2¢	1/4¢
Over 200,000 shares	1/5¢	1/5¢

The minimum tax is \$10. If additional shares are authorized, the tax is computed on the basis of the total number of shares, as amended, and the tax due in excess of that already paid must be paid at the time the amendment to the articles of incorporation is filed.

The tax applies to the capital of foreign corporations in case of merger or consolidation with a Kentucky corporation.

Corporation License Tax

Every corporation owning property or doing business in Kentucky is liable for corporation license tax. This provision does not apply to banks and trust companies, foreign and domestic insurance companies, foreign and domestic building and loan associations, and corporations that, under existing laws, are liable to pay a franchise tax.

The license tax return, Form 41A820, is due on or before the 15th day of the 4th month following the close of the corporation's taxable year. The tax rate is 70¢ per \$1,000 value of capital stock employed in this state. The minimum liability is \$10.

Corporation Income Tax

The corporation income tax rate is 5% on the first \$25,000 of taxable net income and 7% on all over \$25,000 taxable net income. Taxable net income is that portion of the corporation's entire net income which is attributable to Kentucky operations. Federal income taxes are allowed as a deduction in arriving at taxable net income to the extent that such Federal income tax is applicable to Kentucky operations.



State and national banks, trust companies, domestic building and loan associations, insurance companies, and nonprofit corporations are exempt from the tax. Payment is due on the 15th day of the fourth month after the close of the tax year, except for those corporations required to make a declaration.

Every corporation whose estimated tax liability will exceed \$5,000 must file a declaration of estimated tax due. The declaration must be filed on either May 15, September 15, or December 15, whichever date first succeeds the determination that an estimate must be filed. The estimated tax due in excess of \$5,000 will be paid in equal installments on the dates prescribed. Taxpayers using a fiscal year accounting period must substitute the corresponding dates.

Kentucky's portion of taxable corporation income derived from public utilities and the manufacture and sale of tangible property is determined by applying to net income an average of the ratios of the value of tangible property, payroll, and amount of sales in this state to the total value of tangible property, payroll, and amount of sales of the corporation.

In general, this same method is used for allocating taxable income of corporations engaged in other types of business.

#### Public Service Company Taxes

Property of public service companies including railroad companies and common carrier trucking companies is subject to taxation at the following rates per \$100 value: real, 5¢; tangible personal, 50¢; nonoperating intangible property, 25¢; manufacturing machinery, 50¢; rolling stock of car line companies and irregular route common carrier truck companies, \$2.50. With the exception of manufacturing machinery, and rolling stock of car line and irregular route common carrier truck companies, and nonoperating intangibles, such property is also subject to local taxation.

Public service companies must, between January 1 and March 31, file an annual report of their operations during the past calendar year. Assessment of their property is made by the Department of Revenue as of December 31 of each year. The total over-all value of the company is fixed by various means, among which are (1) capitalizing net utility operating income and (2) determining the market value of the company's stocks and bonds.

State tax payment is due within 30 days after the department's assessment becomes final.

General Property Taxes

Kentucky's constitution provides that all property, unless specifically exempt, shall be subject to property taxation. Classification is provided and assessments are required to be at fair cash value. However, Kentucky courts have consistently held that uniformity takes precedence over full value. As of 1962, the statewide assessment level on real estate and tangible personalty is slightly under 30 percent, and on intangible personalty is approximately full value.

State ad valorem tax rates, applicable to the various classes of property, are shown on the table below. Property which may be taxed locally, subject to constitutional or statutory limits, is indicated by the designation "full" or by the maximum rate which may be levied on a particular class of property.

	Rate Per \$100 Assessed Value			
	State	County	City	School
Annuities	\$ .05	\$No	\$No	\$No
Bank deposits	.001	No	No	No
Bank shares	.50	.20	.20	.40
Brokers accounts receivable	.10	No	No	No
Building and loan association capital stock	.10	No	No	No
Car lines and irregular route common carrier truck companies	2.50	No	No	No
Distilled spirits	.50	Full <u>1/</u>	Full	Full
Farm products in storage	.05	.05(tobacco) .15(other)	.05(tobacco) .15(other)	No
Farm products in the hands of producers or agent	.05	No	No	No
Intangibles, public service company	.50	Full	Full	Full
Intangibles, public service company nonoperating	.25	No	No	No
Intangibles, not elsewhere specified	.25	No	No	No
Livestock and poultry	.50	No	No	No
Machinery, agricultural and manufacturing	.50	No	No	No
Raw materials and products in course of manufacture	.50	No	No	No
Real Property	.05	Full	Full	Full
Tangible personalty, not elsewhere specified <u>2/</u>	.50	Full	Full	Full

1/ County rates have a maximum of 70¢ but average 62¢; school rates average \$1.56 with a maximum of \$1.50 except for special voted levies not to exceed 50¢. City rates average about 75¢ with a maximum of \$1.50 for cities over 15,000 population.

2/ Includes automobiles and trucks, merchants inventories and manufacturers finished goods, business furniture and fixtures, etc.



The Department of Revenue assesses bank deposits in Kentucky banks as of September 1 and distilled spirits and marginal accounts as of January 1. Tax payment is due on bank deposits on or before November 1 following the assessment date and on marginal accounts within 30 days after the department renders its tax bill to the taxpayer. The tax on distilled spirits may be paid tri-annually on January 1, May 1, and September 1, or annually between September 1 and January 1.

Other property is assessed for state, county, and county school taxes by county tax commissioners, and must be listed as of January 1 between January 1 and March 1. Tax payment is due between the following September 15 and January 1; if rendered before November 1 a discount of 2% applies. Exceptions are money in hand, deposits in out-of-state banks, and tobacco, which are assessed as of September 1; tax payments are due the second succeeding September 15.

City and city school assessment and payment dates vary.

#### Special Taxes

Banks and trust companies, building and loan associations, and insurance companies, which are exempt from corporation license and income taxes, are subject to special taxes.

Banks - Each bank and trust company is required to pay for its stockholders an annual state tax of 50¢ per \$100 value of its capital stock. An annual report to the Department of Revenue and to the assessing officer of the county, city, and school district in which it is located is required by February 1. Tax payment, subject to a 2% discount if paid by November 1, is due between September 15 and December 31 following the assessment date. The assessed value of tangible property may be deducted from the total value of its shares.

Maximum local rates per \$100 are: counties, 20¢; cities, 20¢; and school districts, 40¢.

Building and Loan Associations - A state tax of 10¢ per \$100 is levied on capital stock of domestic building and loan associations in lieu of all other state and local taxes. A report to the Department of Revenue as of January 1 is required by January 31 of each year. Tax payment is due by July 1 of the same year. Shares of borrowing members where the amount borrowed equals or exceeds the amount paid in by those members are exempt from taxation.

Foreign building and loan associations are required to pay an annual tax of \$3 on each \$100 received from shareholders residing in this state, less the amount loaned to shareholders residing in the state. A report must be filed with the Department of Banking on January 1 each year.

MAJOR KENTUCKY STATE AND LOCAL TAXES  
APPLICABLE TO A MANUFACTURING CONCERN

	<u>State</u>	<u>Local</u>												
Business Taxes	<p>1. Corporation income tax of 5% on first \$25,000 and 7% on all over \$25,000 of taxable net income which is allocated to Kentucky, after deduction of Federal corporation income tax attributable to Kentucky operations.</p> <p>2. Corporation license tax of 70 cents on each \$1,000 of that part of the value of capital stock represented by property owned or business transacted in Kentucky; minimum tax \$10.</p>	There are no local taxes levied on business firms outside corporate limits of Kentucky cities.												
Personal & Individual	Individual income taxes range from 2% of the first \$3,000 of net income to 6% on net income in excess of \$8,000 after the deduction of Federal individual income tax payments, which is reduced by a tax credit of \$20 for each exemption.	There are no local individual income (occupational) taxes levied outside the corporate limits of Kentucky cities except in Jefferson County.												
Real Estate	Five cents on each \$100 of assessed valuation. The average county assessment ratio is approximately 30 percent of current market value.	Local rates vary within limits imposed by law.												
Machinery & Equipment	Fifty cents on each \$100 of assessed valuation. The average assessment ratio is approximately 30 percent of current market value.	No local taxing jurisdiction allowed to impose a property tax on manufacturing machinery and equipment.												
Inventory	Fifty cents on each \$100 of assessed valuation. The average assessment ratio is approximately 30 percent of current market value.	No local taxing jurisdiction is allowed to impose a property tax on manufacturing inventories, raw materials and goods in process.												
Sales & Use	Three percent retail sales and use tax with broad exemptions for industry.	None												
Intangible Property	<p>The assessment ratios and tax rates per \$100 of assessed value for the various classes of intangible property are as follows:</p> <table border="0" style="margin-left: 20px;"> <tr> <td>Bank Deposits</td> <td>100%</td> <td>1/10 of</td> <td>1¢ per \$100</td> </tr> <tr> <td>Stocks &amp; Bonds</td> <td>100%</td> <td></td> <td>25¢ per \$100</td> </tr> <tr> <td>Accounts Receivable</td> <td>85%</td> <td></td> <td>25¢ per \$100</td> </tr> </table>	Bank Deposits	100%	1/10 of	1¢ per \$100	Stocks & Bonds	100%		25¢ per \$100	Accounts Receivable	85%		25¢ per \$100	No local taxing jurisdiction allowed to impose a property tax on intangible property.
Bank Deposits	100%	1/10 of	1¢ per \$100											
Stocks & Bonds	100%		25¢ per \$100											
Accounts Receivable	85%		25¢ per \$100											



KENTUCKY REVISED STATUTES  
1948

103.200 - 103.280

INDUSTRIAL BUILDINGS FOR CITIES GENERALLY

103.200 Definitions for KRS 103.200 to 103.280. As used in KRS 103.200 to 103.280, "industrial building" means any building or structure suitable for and intended for use as a factory, mill, shop, processing plant, assembly plant, or fabricating plant, to be rented or leased to an industrial concern by the city by which it is acquired.

103.210 Issuance of Bonds. In order to promote the reconversion to peace-time economy, to relieve the conditions of unemployment, to aid in the rehabilitation of returning veterans and to encourage the increase of industry in this state, any city may borrow money and issue negotiable bonds for the purpose of defraying the cost of acquiring any industrial building, either by purchase or construction, but only after an ordinance has been adopted by the legislative body of the city specifying the proposed undertaking, the amount of bonds to be issued, and the maximum rate of interest the bonds are to bear. The ordinance shall further provide that the industrial building is to be acquired pursuant to the provisions of KRS 103.200 to 103.280.

103.220 Interest on Bonds; terms. (1) The bonds may be issued to bear interest at a rate not to exceed six percent per annum, payable either annually or semi-annually, and shall be executed in such manner and be payable at such times not exceeding twenty-five years from date thereof and at such place or places as the city legislative body determines.

(2) The bonds may provide that they or any of them may be called for redemption prior to maturity, on interest payment dates not earlier than one year from the date of issuance of the bonds, at a price not exceeding 103 and accrued interest, under conditions fixed by the city legislative body before issuing the bonds.

103.230 Bonds negotiable; disposal; payable only from revenue. Bonds issued pursuant to KRS 103.200 to 103.280 shall be negotiable. If any officer whose signature or countersignature appears on the bonds or coupons ceases to be such officer, before delivery of the bonds, his signature or countersignature shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until delivery. The bonds shall be sold in such manner and upon such terms as the city legislative body deems best, or any contract for the acquisition of any industrial building may provide that payment shall be made in such bonds. In no event shall any bonds be negotiated on a basis to yield more than 6% except as provided in subsection (2) in KRS 103.220. The bonds shall be payable solely from the revenue derived from the building, and shall not constitute an indebtedness of the city within the meaning of the Constitution.

It shall be plainly stated on the face of each bond that it has been issued under the provisions of KRS 103.200 to 103.280 and that it does not constitute an indebtedness of the city within the meaning of the constitution.

103.240 Use of proceeds of bonds. All money received from the bonds shall be applied solely for the acquisition of the industrial building, and the necessary expense of preparing, printing and selling said bonds, or to advance the payment of interest on the bonds during the first three years following the date of the bonds.

103.250 Receiver in case of default. If there is any default in the payment of principal or interest of any bond, any court having jurisdiction of the action may appoint a receiver to administer the industrial building on behalf of the city, with power to charge and collect rents sufficient to provide for the payment of any bonds or obligations outstanding against the building, and for the payment of operating expenses, and to apply the income and revenue in conformity with KRS 103.200 to 103.280 and the ordinance referred to in KRS 103.210.

103.260 Application of revenue; charges for use. (1) At or before the issuance of bonds the city legislative body shall, by ordinance, set aside and pledge the income and revenue of the industrial building into a separate and special fund to be used and applied in payment of the cost thereof and in the maintenance, operation and depreciation thereof. The ordinance shall definitely fix and determine the amount of revenue necessary to be set apart and applied to the payment of principal and interest of the bonds, and the proportion of the balance of the income and revenue to be set aside as a proper and adequate depreciation account, and the remaining proportion of such balance shall be set aside for the reasonable and proper operation and maintenance of industrial building.

(2) The rents to be charged for the use of the building shall be fixed and revised from time to time so as to be sufficient to provide for payment of interest upon all bonds and to create a sinking fund to pay the principal thereof when due, and to provide for the operation and maintenance of the building and an adequate depreciation account.

103.270 Depreciation account. (1) If a surplus is accumulated in the operating and maintenance funds equal to the cost of maintaining and operating the industrial building during the remainder of the calendar, operating or fiscal year, and during the succeeding like year, any excess over such amount may be transferred at any time by the city legislative body to the depreciation account, to be used for improvements, extensions or additions to the building.



(2) The funds accumulating to the depreciation account shall be expended in balancing depreciation in the industrial building or in making new constructions, extensions or additions thereto. Any such accumulations may be invested as the city legislative body may designate, and if invested the income from such investment shall be carried into the depreciation account.

103.280 Additional Bonds. (1) If the city legislative body finds that the bonds authorized will be insufficient to accomplish the purpose desired, additional bonds may be authorized and issued in the same manner.

(2) Any city acquiring any industrial building pursuant to the provisions of KRS 103.200 to 103.280 may, at the time of issuing the bonds for such acquisition, provide for additional bonds for extensions and permanent improvements, to be placed in escrow and to be negotiated from time to time as proceeds for that purpose may be necessary. Bonds placed in escrow shall, when negotiated, have equal standing with the bonds of the same issue.

(3) The city may issue new bonds to provide funds for the payment of any outstanding bonds, in accordance with the procedure prescribed by KRS 103.200 to 103.280. The new bonds shall be secured to the same extent and shall have the same source of payment as the bonds refunded.

The Following Amendment was made to KRS 103.200 to 103.280 by the 1952 Kentucky Legislature.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE COMMONWEALTH OF KENTUCKY:

Section 103.200 of the Kentucky Revised Statutes is amended to read as follows:

As used in KRS 103.200 to 103.280, "industrial building" or "buildings" means any building or structure suitable for and intended for use as a factory, mill, shop, processing plant, assembly plant, or fabricating plant, and/or the necessary operating machinery and equipment, to be rented or leased to an industrial concern by the city by which it is acquired.



COMMONWEALTH OF KENTUCKY  
DEPARTMENT OF STATE

Secretary of State, Frankfort, Kentucky

INSTRUCTIONS FOR FILING ARTICLES  
OF  
INCORPORATION FOR FOREIGN CORPORATIONS  
IN KENTUCKY

1. Original articles of incorporation and all existing and subsequent amendments to original articles must be filed with the Secretary of State of Kentucky, certified by the Secretary of State of the state of incorporation, as of the current date, in chronological order. A \$25.00 filing fee for original articles and amendments is required. A fee of \$10.00 is required for recording articles and amendments.
2. A statement of corporation designating a process agent and place of business in Kentucky is required, for which the filing fee is \$5.00. Our Constitution requires that the process agent reside at the place of business.
3. Photostatic copies will be accepted for filing and recording, if they are PLAINLY LEGIBLE and in proper legal form with respect to size, durability, etc., and of such size and quality as to permit them to be rephotostated.

For further information write to

Henry H. Carter,  
Secretary of State,  
Commonwealth of Kentucky.

## COOPERATING STATE AGENCIES

As a state, Kentucky realizes the importance of industry in developing her many resources. In addition to the Department of Commerce, which was created for the express purpose of promoting the economic development of the Commonwealth, there are many state agencies actively engaged in programs which, directly or indirectly, contribute materially to the solution of problems which affect our industrial growth. Since it is a statutory function of the Department of Commerce "to coordinate development plans," contact with the following state agencies and others concerned may be established through this agency.

The Kentucky Highway Department, in planning its program of development and expansion, gives every consideration to the needs of existing and proposed industries. During the year 1961, highway expenditures for the improvement and maintenance of Kentucky's highways and bridges totaled \$183,467,844. Kentucky has ranked in the upper fourth of all states in recent years in both the number of miles of highway construction and in the amount of money spent.

The Department of Economic Security will furnish data regarding potential labor supply, prevailing wage rates, characteristics of labor supply and employment and economic characteristics for any area in the State. The Department's Division of Employment Service with offices in 24 cities in the State is available at all times to assist in recruitment of workers for industry both old and new. All local offices in the State are equipped to administer specific aptitude tests for 270 different occupations as a part of the recruitment process. These tests facilitate getting the "round peg" into the "round hole" thereby helping to reduce worker turnover and training time.

The Kentucky Department of Labor has been highly successful in its relations with both management and labor. Representatives of this department are available at all times to consult with industries on any matter in which they can be of service.

The Kentucky Department of Revenue offers the services of its tax consultants to industries seeking locations within the state, as well as to resident industries.

The Kentucky Department of Commerce takes pride, not only in the services it has to offer to industries seeking locations in Kentucky, but in the service it attempts to render on a continuing basis to existing industry. Established industries have found the state to be considerate of their welfare and we welcome the opportunity to introduce representatives of prospective new industries to our present family of industries.